

Message Text

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ACTION TRSE-00

INFO OCT-01 ARA-16 ISO-00 EB-11 FRB-02 L-03 RSC-01 DRC-01

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R 052101Z DEC 73

FM AMEMBASSY TEGUCIGALPA
TO SECSTATE WASHDC 5822

UNCLAS TEGUCIGALPA 4554

E.O. 11652: N/A

TAGS: EFIN

SUBJ: VISIT BY NATIONAL BANK EXAMINERS

REF: STATE 211928 AND DEPT TRSY WASHDC DATED 11/28/73

DEPARTMENT PLEASE PASS TREASURY, DEPUTY COMPTROLLER-
INTERNATIONAL, ROOM 4432, HAROLD D. SCHULER

1. ECOM OFFICER CALLED TO CENTRAL BANK DEC 5 BY
PRESIDENT ALBERTO GALEANO. HE STATED HIS INTERPRETATION
OF ARTICLES 18, 19 AND 39 OF THE HONDURAN LAW FOR FINANCIAL
INSTITUTIONS DO NOT PERMIT INSPECTION OF BRANCHES OF
U.S. BANKS BY THE NATIONAL BANK EXAMINERS. HE SUGGESTED
THAT THERE WOULD BE NO PROBLEM IF NATIONAL BANK
EXAMINERS WERE AUTHORIZED IN WRITING BY THE PARENT
BANK, "BANK OF AMERICA", TO EVALUATE THE QUALITY OF
THE BRANCH'S ASSETS AND OPERATIONS.

2. POSITION OF CENTRAL BANK PRESIDENT NOT ANTAGONISTIC
BUT IT IS BINDING. EMBASSY READING OF CITED ARTICLES DOES
NOT FULLY CONCUR WITH GALEANO THAT INSPECTION BY BANK
EXAMINERS PROHIBITED. HOWEVER, EMBASSY RETICENT TO DISPUTE
GALEANO'S JUDGMENT IF ALTERNATIVE OF COVERING LETTER FROM
HOME OFFICE ACCEPTABLE TO DEPARTMENT OF TREASURY.

3. NEITHER GALEANO NOR EMBASSY AWARE OF PREVIOUS BANK OF
EXAMINERS INSPECTION IN HONDURAS. IF THERE ARE PRECEDENTS
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THESE WOULD BE USEFUL SHOULD DEPT OF TREASURY DESIRE

EMBASSY TO RAISE ISSUE AGAIN WITH CENTRAL BANK. HOWEVER,
FROM EMBASSY POINT OF VIEW, COVERING AUTHORIZATION FROM
BANK OF AMERICA HEAD OFFICE APPEARS SATISFACTORY
SOLUTION WHICH WOULD NOT REQUIRE ANY FURTHER APPROACH TO
GOVERNMENT OF HONDURAS.

SANCHEZ

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